

## NSP Eligible Uses by Property Type

	Eligible Uses	Foreclosed Homes and Residential Properties	Abandoned Homes and Residential Properties	Blighted Structures	Demolished Properties	Other Vacant Properties
A	Financing Mechanisms*	Yes	No	Only if Foreclosed	N/A	Only if Foreclosed
B	Purchase and Rehab	Yes	Yes	If Foreclosed or Abandoned	N/A	No
C	Land Bank	Yes – <i>Foreclosed Homes &amp; other Residential Properties</i>	No	Only if Foreclosed Home	No	No
D	Demolition	Only if Blighted	Only if Blighted	Yes	N/A	Only if Blighted
E	Redevelopment**	Only if Vacant	Only if Vacant	Only if Vacant	Yes	Yes
	Comments			Locally defined Not limited to residential structures	Not limited to residential structures	Land or structures Not limited to residential properties

**NSP Notice Definition: Abandoned.** A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

**NSP Notice Definition: Foreclosed.** A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the



property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

**Low-income Set-aside** (25% of funds for individuals at or under 50% Area Median Income): The legislation says that these funds “shall be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties”. Vacant land under Eligible Use E, must also be foreclosed upon or abandoned for any housing constructed on it to qualify for the set-aside requirement.

**Homes and Residential Properties:** HUD interprets “homes” as any type of permanent residential dwelling unit, such as detached single family structures, townhouses, condominium units, multifamily rental apartments (covering the entire property), and manufactured homes where treated under state law as real estate (not personal property). “Residential properties” includes all of the above plus vacant land that is currently designated for residential use, e.g. through zoning.

*\*Use of NSP as a “Financing mechanism” for “vacant land that is currently designated for residential use, e.g. through zoning, need not have been previously “developed”*

**\*\*“Redevelopment” (E)** must be for “demolished” or “vacant” property. The property must be either:  
Vacant land that was once developed where prior development has been “demolished;” or  
Property with vacant structure(s) on the land

Derived from HUD document:

“Explanation of Property Types under Each Eligible Use” (3/04/09)

Attachment A (page 6 of 6) with additional language and comments in *italics*

available at [http://www.nls.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp\\_terminology.pdf](http://www.nls.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp_terminology.pdf)